



**STATE BOARD OF EQUALIZATION**

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Executive Secretary

No. 78/61

April 7, 1978

TO COUNTY ASSESSORS:

SUMMARY OF PROPOSED LEGISLATION NUMBER 12

In compliance with your Legislative Committee's proposal that you be informed of the various property tax bills and amendments being proposed in the State Legislature, we submit to you those measures introduced or amended recently that have reached our office.

We are including only those bills or constitutional amendments that we feel are of importance to you as an assessor. Bills concerning the functions of the tax collector, auditor, and other county or special district officials will usually be excluded.

Copies of bills and amendments introduced may be obtained by placing orders with the Legislative Bill Room (State Capitol, Room 1149, Sacramento, 95814).

ASSEMBLY BILLS

No. 1840 - Amended March 28, 1978

An act to amend Section 17052.6, as added by Chapter 1079 of the Statutes of 1977, to amend Sections 17206.5, 17384, 18212, 18433, 20542, 23602, 24427, and 24497 of, to amend and renumber Section 17052.6, as added by Chapter 1100 of the Statutes of 1977, and to add Sections 17737.5, 20505, and 24443 to, and to repeal Sections 20505 and, ~~20505.2~~ 20505.2, and 20542 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

Under the existing Personal Income Tax Law and Bank and Corporation Tax Law, stock owned by persons having a specified relationship to the taxpayer is treated as being owned by the taxpayer, for purposes of determining gain from those transfers of stock which are taxable.

This bill would eliminate those provisions which treat such stock as being owned by the taxpayer, for such purposes, except for certain stock held in trust or certain stock owned by a partner or beneficiary of an estate.

Under existing provisions of Personal Income Tax Law, the taxation of gains from disposal of realty is computed on specified base periods.

This bill would revise those specified dates.

Under existing provisions of Personal Income Tax Law, a deduction for amounts distributed currently is allowed in determining taxes for certain trusts.

ASSEMBLY BILLS (Contd.)No. 1840 - (Contd.)

This bill would specify that any amount, within specified limitations, distributed by certain cemetery perpetual care funds for the care and maintenance of certain gravesites for which there is an obligation to furnish care and maintenance shall be considered a distribution solely for purposes of such authority to deduct such amounts in determining taxable income.

Under existing provisions of Personal Income Tax Law, a reasonable extension of time for filing any return or document or for payment of any tax required by such law may be granted by the Franchise Tax Board whenever in its judgment good cause exists.

This bill would require that the Franchise Tax Board determine that good cause exists in granting a reasonable extension for payment of tax and would authorize such board to grant a reasonable extension of time for filing returns and documents without determining that good cause exists.

The Personal Income Tax Law limits the deduction of expenses for foreign conventions.

This bill would limit such deductions under the Bank and Corporation Tax Law.

Under existing law, qualified persons 62 years of age or older who own or rent their homes may claim state funds to reimburse them for a portion of the property taxes paid on their homes.

This bill would provide that unmarried surviving spouses, regardless of age, may claim such state funds if Proposition 8 on the ballot for June 6, 1978 is approved and Proposition 13 on that ballot is rejected.

Existing provisions of the Personal Income Tax Law authorize the deduction of certain casualty losses in the taxable year preceding the taxable year in which the disaster occurred, if such loss is attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the federal government under the Disaster Relief Act of 1970.

This bill would revise such deduction authorization to apply to losses attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the federal government under an applicable federal disaster act, instead of specifying the Disaster Relief Act of 1970.

Existing provisions of the Bank and Corporation Tax Law authorize certain accrual basis taxpayers to deduct accrued expenses or interest when paid, rather than when accrued.

This bill would eliminate such authorization.

This bill would take effect immediately as a tax levy, but its operative effect would depend upon its effective date.

No. 2023 - Amended April 3, 1978

An act to amend Sections 6443, 6501, 6531, 6550, 6570, 6571, and 6631 of, to add Sections 6505 and 6530.5 of, and to repeal Section 6505 of, the Streets and Highways Code, relating to the Improvement Act of 1911, and declaring the urgency thereof, to take effect immediately.

ASSEMBLY BILLS (Contd.)No. 2023 - (Contd.)

(1) Under the Improvement Act of 1911, the treasurer is required to send a card, not later than April 1st and October 1st, to the owner of property for which assessments are delinquent stating the amount due and the date when payment is due from him on the assessment and stating that the payment is subject to penalty if not paid on or prior to the due date.

The bill would require the card to include, in English and Spanish in 14-point boldface type, stating that the property will be sold if the assessments are not paid and that the assessments are not related to property tax.

(2) Under the act, the treasurer is required to send a notice of sale to any owner of property to be sold for nonpayment of assessment.

The bill would require that the notice include, in English and Spanish in 14-point boldface type, a warning that the property will soon be sold unless payment is made. The telephone number of the foreclosure clerk at the treasurer's office would be included in the notice.

(3) Under the act, the day specified in the notice of sale may not be less than 30 days from the date of the first publication of the notice. At least 15 days prior to the sale, the treasurer is required to send a copy of the notice to the bondholder and to the property owner as shown on the last equalized roll and the person to be shown as the owner on the next roll.

The bill would revise the above periods to 45 days and 30 days respectively.

The treasurer would be required to send, with the copy of the notice of sale, to the property owner and such person another notice in English and Spanish in 14-point boldface type, stating that the treasurer has arranged to sell the property at a specified date unless the delinquency debt is paid by that date. The telephone number of the foreclosure clerk would be included in the second notice.

(4) Under the act, the owner of any property sold for nonpayment of assessment may redeem the property within 12 months from the date of sale or before application by the purchaser for a deed.

The bill would require the treasurer, within 10 days of the issuance of a certificate of sale, to send by first-class mail to the owner of the property as shown on the last equalized assessment roll and the person to be shown as the owner on the next roll a notice, in English and Spanish in 14-point boldface type, stating that the property was sold for failure to pay for the improvement, but that there is still at least 11 months to make the necessary payment to save the property. The telephone number of the foreclosure clerk would be included.

(5) Under the act, redemption of property may be made by payment to the treasurer of an amount which, among other things, includes the purchase money.

The bill would require the amount for redemption to include, among other things, the amount due on the bond rather than the purchase money.

(6) Under the act, the purchaser of the property is required, at least 30 days prior to the expiration of the time of redemption or 30 days before his application for a deed, to request the treasurer to send, by certified mail, to the property owner a notice stating the intention of the purchaser to apply for a deed. The treasurer is required to mail ~~ex~~ and post the notice by such 30-day period. In addition, the notice is required to be personally served on the owner.

ASSEMBLY BILLS (Contd.)No. 2023 - (Contd.)

The bill would increase the above periods from 30 days to 60 days.

The bill would also require the notice to state, in English and Spanish in 14-point boldface type, that the property has been sold, but may be saved by paying what is owed by a specified date. The notice would include the telephone number of the foreclosure clerk.

The bill would delete the requirement that the owner be personally served if the treasurer executes a certificate stating, among other things, that the owner could not, with reasonable diligence, be so served during the 60-day period.

(7) Under the act, the purchaser, within 60 days of the purchase of property for delinquency, may send to the person to whom the property is assessed for taxation as shown on the last equalized assessment roll and to the legal owner as shown in the recorded deed a copy of the certificate of sale by registered mail. If a copy is so sent, no action may be commenced to attack the validity of the sale after 1 year of the date of sale.

The bill would require that the copy of certificate of sale be sent by first-class mail also and would bar any such action 1 year after the date of mailing the copy. The bill would require that a notice be sent also. The notice would be in English and Spanish in 14-point boldface type stating that the property has been sold for nonpayment of assessments and that the validity may be contested within 1 year of the date of the mailing of the notice.

(8) Under the act, any action contesting the validity of a deed issued for the purchase of property because of nonpayment of assessment, or the validity of the proceedings subsequent to the issuance of the certificate of sale, is required to be brought within 6 months after the issuance of the deed.

The bill would extend the above period to 12 months.

(9) Under the act, the treasurer is required to reinstate any delinquent bond upon payment to him of all principal and interest coupons delinquent at the time of reinstatement together with enumerated penalties and costs.

The bill would authorize the treasurer also to collect \$3 for ascertainment of the name and address of the property owner in such a case.

(10) The bill would provide that neither appropriation is made nor obligation created for reimbursement of any local agency for any costs incurred by it pursuant to this bill for a specified reason.

(11) The bill would take effect immediately as an urgency statute.

No. 2432 - Amended March 28, 1978

An act to add Part 1.5 (commencing with Section 16250) to Division 4 of Title 2 of the Government Code, relating to state property, and making an appropriation therefor.

Under current law, various local agencies, including counties, cities, and special districts, are authorized to raise funds by means of a property tax upon property located within such agencies. Further, property owned by the State of California is generally exempt from such taxation.

This bill would enact the State Impact Relief Act to provide for the apportionment of funds by the State Board of Control to counties; such apportionment to be based upon the amount (not the dollar value) of certain

ASSEMBLY BILLS (Contd.)No. 2432 - (Contd.)

specified types of state property located within the ~~county~~ county. Each county controller would then be required to allocate the funds to eligible taxing agencies, as defined, within the county. This bill would require that the allocation be used to reduce the property tax of the agency receiving the allocation.

This bill would also appropriate \$15,000,000 from the General Fund to the State Impact Relief Fund in order to make such apportionments in the 1979-80 fiscal year.

This bill would also specify that it does not make an appropriation or create an obligation to reimburse local agencies for costs incurred by them pursuant to this bill for a specified reason.

No. 2754 - March 8, 1978

An act to amend Section 9255 of, to add Sections 243, 5012, 5014.5, 9261.5, and 10752 to, and to repeal Section 243 of the Vehicle Code, relating to vehicles, and making an appropriation therefor.

A camper is defined, generally, as a structure providing facilities for human habitation, designed to be mounted upon a motor vehicle. A camper is not required to be registered or identified.

This bill would redefine campers, excluding structures which are permanently affixed to a motor vehicle, and would require that campers coming within this definition be issued identification plates by the Department of Motor Vehicles. The bill would provide that a fee of \$11 be charged for initial issuance of an identification plate and a fee of \$3 would be charged for a transfer.

The sale of a camper without a manufacturer's serial or identification number would be prohibited on or after July 1, 1979.

The additional fees which would be imposed under this bill could ultimately be deposited in the State Highway Account in the State Transportation Fund, which is continuously appropriated; and therefore, this bill would make an appropriation.

The bill would provide that, notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section for a specified reason.

No. 2949 - March 16, 1978

An act to amend Sections 216 and 1001 of, and to add Sections 224.2 and 224.4 to, the Public Utilities Code, relating to liquefied petroleum gas, and making an appropriation therefor.

Existing law does not regulate the production, processing, storage, transmission, delivery, or furnishing of liquefied petroleum gas as a public utility operation.

This bill would define "liquefied petroleum gas corporation" and would declare such corporations, where the service is performed or the commodity furnished to or for the public or any portion thereof, to be public utilities subject to the jurisdiction and control of the Public Utilities Commission. It would also require a certificate of public convenience and necessity for the operation of a liquefied petroleum gas corporation.

This bill would appropriate an unspecified amount to the State Controller for allocation and disbursement to local agencies for costs incurred by them pursuant to this act.

ASSEMBLY BILLS (Contd.)No. 2974 - March 20, 1978

An act to add Section 999 to the Revenue and Taxation Code, relating to property taxation, and making an appropriation therefor.

Under existing law, property is most generally assessed for purposes of property taxation at its value on the first day of March of each year, and a tax is then imposed on such property for the entire fiscal year which follows such assessment. Thus, a person with a taxable possessory interest in tax-exempt property on the first day of March would be liable for a property tax on such interest for the following fiscal year, even though such person may not occupy the premises for any part of such fiscal year.

This bill, contingent upon approval by the voters of an unspecified Assembly Constitutional Amendment of the 1977-78 Regular Session, would establish procedures for collecting property taxes on possessory interests as a part of the rent and would provide that no such taxes would be due when premises are vacant.

The bill would require the State Controller to report to the Legislature on the amount of property tax revenues lost by reason of this new procedure in order that the Legislature may appropriate funds to compensate local government for such losses. Moreover, the bill would appropriate an unspecified amount from the State General Fund to the State Controller for allocation to local government for costs mandated by the bill.

No. 2979 - March 20, 1978

An act to amend Sections 65302, 65860, 66453, and 66499.37 of, and to add Sections 65302.9, 65860.5, 65864, 66412.5, 66473.6, and 66499.38 to, the Government Code, to amend Section 39601 of, to add Section 51350.5 to, and to add Division 32 (commencing with Section 54000) to, the Health and Safety Code, to amend Sections 21000 and 21001 of, and to add Section 21080.2 to, the Public Resources Code, to add Section 17041.7 to, and to add Chapter 2.6 (commencing with Section 23450) to Part 11 of Division 2 of, the Revenue and Taxation Code, and to amend Section 13142 of, and to add Section 1259 to, the Water Code, relating to housing, and making an appropriation therefor.

(1) Present law requires counties and cities to adopt general plans containing, among other things, an element on housing.

This bill would revise the requirements for the housing element, limit the grounds for challenging general plans and amendments thereto, and specify that a zoning ordinance shall not be found to conflict with the general plan solely because the general plan fails to conform to state guidelines for the preparation thereof. This bill would specify planning policies for local government with respect to development of housing.

(2) Nothing in present law requires a county zoning ordinance or subdivision approval to comply with a city's general plan.

This bill would enact such requirements with respect to territory outside a city meeting prescribed criteria and located within the city's sphere of influence, as determined by the local agency formation commission.

(3) Nothing in present law authorizes administrative appeals to a state agency with respect to matters involving local subdivision approvals.

This bill would make an appeal to the Secretary of the Business and Transportation Agency a prerequisite to judicial action challenging such local action on the basis of specified housing policy set forth in the bill.

ASSEMBLY BILLS (Contd.)

No. 2979 - (Contd.)

(4) The law does not presently require that standards and regulations of the Air Resources Board, state policy for water quality control, and water quality objectives of regional water quality control boards give recognition to state housing policy.

This bill would enact such a requirement, and would require consideration of a prescribed state housing goal by the State Water Resources Control Board, when acting upon applications to appropriate water.

(5) Present state law does not grant priority in the provision of assistance to counties and cities having housing assistance plans adopted pursuant to the federal Housing and Community Development Act of 1974.

This bill would require such priority in making loans under the California Safe Drinking Water Bond Law of 1976 and in the development of regional transportation plans and guidelines of the California Transportation Commission for the preparation of state and regional transportation improvement programs.

(6) The California Environmental Quality Act does not presently contain a specific exemption for construction of housing in urban areas.

This bill would exempt the construction of housing in urban areas from the requirements of such act if consistent with a local general plan, specific plan, or redevelopment plan. This bill would also revise the policy declarations contained in such act.

(7) Nothing in present law authorizes the Secretary of Business and Transportation to make grants to local governmental entities for activities directly related to the development of housing for persons of low or moderate income.

This bill would authorize such a grant program, prescribe eligibility criteria, and an allocation formula.

(8) Nothing in present law requires state or local government surplus lands to be made available on a priority basis for housing for persons and facilities of low or moderate income.

This bill would provide that excess lands of the Department of Transportation and surplus lands of local agencies be made available on a priority basis for such purpose. Also, the bill would authorize local governmental agencies to petition state agencies to declare state lands surplus and to sell such land to the petitioning local governmental agency for the development of housing.

(9) Nothing in present law specifically authorizes the conduct of a state rental-subsidy program in connection with the development of privately owned rental housing for persons of low or moderate income.

This bill would authorize such a program, to be administered by the California Housing Finance Agency pursuant to contracts with private developers of housing under which housing would be developed on land leased to the developer by the agency, and a specified proportion of the units developed would be allocated to eligible tenants with rents subsidized by the agency from amounts paid by the developer under the land lease. The agency would be empowered to issue an additional \$200,000,000 of revenue bonds for purposes of this program.

ASSEMBLY BILLS (Contd.)No. 2979 - (Contd.)

(10) Under the Zenovich-Moscone-Chacon Housing and Home Finance Act, the California Housing Finance Agency is empowered to issue not more than \$450,000,000 in revenue bonds, excepting refunding and renewal bonds.

This bill would expand the bonding authority of the agency by an unspecified amount in addition to the new bonding authority described in (9) above.

(11) Present law prohibits discrimination in the rental of housing in various cases.

This bill would prohibit discrimination in the rental of housing based on the age of the tenant or prospective tenant or the presence of children in his or her household.

(12) Nothing in present state law specifically authorizes or proscribes the imposition of residential rent controls by local jurisdictions.

This bill would declare the intent of the Legislature to prescribe the conditions under which such rent controls may be imposed.

(13) Nothing in state law authorizes a city or county to irrevocably commit lands to residential uses, or provides for an irrevocable commitment of land to residential uses based upon investment in urban services.

This bill would permit a city which has adopted a housing assistance plan under federal law to make such an irrevocable commitment by adoption of a resolution if the land has been designated for residential use by zoning or rezoning or by a general or specific plan. This bill would also provide that land shall be deemed irrevocably committed to residential uses if a substantial investment has been made to provide urban services to the land by a public agency or by a private party acting pursuant to local governmental requirements, plans, or development approvals and provided the land is zoned, rezoned, or designated on the general or a specific plan for residential use.

(12) Under existing Personal Income Tax Law and Bank and Corporation Tax Law, nonowner-occupied residential dwellings are treated as capital assets and taxed accordingly.

This bill would, in addition, impose a speculation tax on the gain on the sale or exchange of a nonowner-occupied residential dwelling at a 50% rate for a residential dwelling sold less than 1 year after purchase and at a 25% rate for a residential dwelling sold more than 1 but less than 2 years after purchase. The funds resulting from such speculation tax would be evenly distributed between the Mortgage Holders Property Tax Relief Fund and the Renters Property Tax Relief Fund, which would be created by this bill.

(15) This bill would appropriate an unspecified amount from the General Fund to reimburse local agencies for costs incurred by them under the bill.

No. 2980 - March 20, 1978

An act to add Sections 11 and 12 to the Education Code, to amend Sections 29100, 50286, and 51511 of, and to add Sections 16101.5, 29100.8, 43004.5 to, the Government Code, to amend Section 33328 of, and to add Section 33670.5 to, the Health and Safety Code, to amend Sections 205.5, 218, 273.5, 275, 276, 401, 437, 619, 619.2, 722, 1606, 2637, 2611.5, 2905,



ASSEMBLY BILLS (Contd.)No. 2980 - (Contd.)

4836.5, 11251, 11401, 20542, and 20543 of, and to add Sections 38, 39, 111, 155.01, 155.02, 201.1, 205.1, 401.1, 2217, 2260.5, and 2260.6 to, the Revenue and Taxation Code, and to add Sections 22 and 23 to the Welfare and Institutions Code, relating to property taxation, and making an appropriation therefor.

Under existing law all property subject to general property taxation is annually assessed at 25% of its full cash value.

This bill would require such assessments be at full cash value and would require local agencies to adjust their property tax rates so that they will receive no additional revenue by reason of the change in the method of assessment.

The bill would make related and conforming changes and would appropriate an unspecified amount to the State Controller to reimburse local agencies for costs incurred by them by reason of the bill.

No. 2986 - March 20, 1978

An act to add Section 202.8 to the Revenue and Taxation Code, relating to property taxation.

Under existing law, property of the public school system and of institutions of higher education are exempt from property taxation. However, some uses of tax-exempt property by private parties have been held to be taxable possessory interests.

This bill would specify that the exemptions from property taxation for property of the public school system and institutions of higher education apply to all interests of students and their families in student housing.

No. 3057 - March 22, 1978

An act to add Section 402.8 to the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing law, property is valued, for property tax assessment purposes, according to its highest and best use, unless such valuation is otherwise restricted.

This bill would specify that limitations on certain rental dwellings subject to federal contracts constitute use restrictions on such property, would establish a rebuttable presumption that the value of such property shall be consistent with such limitations, and would establish a procedure for the rebuttal of such presumption.

This bill would appropriate an unspecified amount from the General Fund to the State Controller to reimburse local agencies for costs incurred by them pursuant to this bill.

No. 3107 - March 23, 1978

An act to add Sections 37, 38, and 131 to the Revenue and Taxation Code, relating to a tax program to implement the initiative appearing as Proposition 13 on the ballot for the Primary Election of June 6, 1978.

Under existing law, various terms are defined for tax purposes, but the tax initiative, which is sometimes referred to as the "Jarvis-Gann Initiative," appearing as Proposition 13 on the ballot for the Primary Election of June 6, 1978, does not always follow these existing definitions.

ASSEMBLY BILLS (Contd.)No. 3107 - (Contd.)

This bill would define some of the terms used in Proposition 13. The bill would only become operative if Proposition 13 is approved by the voters.

No. 3189 - March 27, 1978

An act to add Sections 230 and 230.5 to the Revenue and Taxation Code, relating to taxation.

Existing law authorizes local agencies to impose property taxes, within specified limitations, and exempts certain types of property from taxation pursuant to provisions of the California Constitution.

This bill would exempt from taxation, for a designated period of fiscal years, that portion of the full value of a qualified building which exceeds the full value of such building prior to the rehabilitation of such building if it is an area designated by the governing body of a city.

This bill would become operative only if Assembly Constitutional Amendment No. \_\_\_ of the 1977-78 Regular Session of the Legislature is approved by the voters.

No. 3197 - March 27, 1978

An act to add Section 42284 to the Education Code, relating to school district revenue limits, and making an appropriation therefor.

Current law prescribes a method for equalizing the tax revenues from maximum tax rates in excess of the statutory maximum authorized by the electors of a school district. Tax revenues in excess of those permitted by a formula are remitted to Section A of the State School Fund.

This bill would exclude from the equalized voted override program tax revenues approved by the electors of a district if the district meets prescribed declining enrollment criteria.

Existing law grants the homeowners' property tax exemption in the amount of \$7,000 of the full value of qualified dwellings and continuously appropriates state funds for subventions to local government to compensate for property tax revenues lost by reason of such exemption.

This bill would increase the amount of such appropriation by authorizing an increased rate of property tax.

No. 3352 - March 29, 1978

An act to add Chapter 1.5 (commencing with Section 20571) to Part 10.5 of Division 2 of the Revenue and Taxation Code, relating to property tax assistance.

Existing law provides for property tax assistance payments to any qualified homeowner or renter, 62 years of age or older; according to a schedule based on their household incomes and the amount of property taxes paid or deemed to be paid, on their residences.

This bill would provide for property tax assistance for any individual of an amount equal to school property taxes, as defined, if such individual has paid property taxes on a residence in California for 30 years prior to the fiscal year for which assistance is claimed.

ASSEMBLY BILLS (Contd.)No. 3469 - March 30, 1978

An act to amend Section 228 of, and to add Part 5.8 (commencing with Section 11125) to Division 2 of, the Revenue and Taxation Code, and to amend Sections 9853, 9855, and 9860 of the Vehicle Code, relating to vessel taxes, and making an appropriation therefor.

Under existing law, undocumented vessels using the waters of this state are required to be registered and currently numbered. Noncommercial vessels of more than \$400 market value are generally subject to personal property taxation.

This bill would impose a personal property tax of 2% of market value for the privilege of operating noncommercial vessels more than \$1,000 in value and all other vessels which are subject to registration upon the waters of this state, which would be in lieu of all taxes according to value levied for state or local purposes on vessels of a type subject to registration under the Vehicle Code. The bill would also increase the property tax exemption of vessels to vessels of market value of \$1,000 or less.

This bill would further specify that it does not apply to commercial and oceanographic research vessels, as defined. The bill would also increase application and certificate fees for specified vessels.

This bill would appropriate the revenues from such provisions for specified state and local purposes and would appropriate the sum of \$5,400,000 from the General Fund to the State Controller for reimbursement to local agencies for property tax revenues lost because of this act.

The bill would further provide that there shall be no other appropriation, review or reimbursement to local agencies or school districts for costs incurred by the bill for a specified reason.

No. 3479 - March 30, 1978

An act to add Section 2262.2 to the Revenue and Taxation Code, relating to taxation.

Existing law establishes the maximum property tax rate which a local agency may levy without prior approval of the voters, and authorizes a local agency to increase such maximum rate in certain circumstances.

This bill would specify that a local agency or district formed by a city to take over and perform services theretofore provided by a county service areas may increase its maximum property tax rate which may be levied without prior approval of the voters by an amount equal to the rate which had, or could have been levied by the county service area.

This bill would contain legislative findings and declarations that this bill is declarative of existing law.

No. 3485 - March 30, 1978

An act to add Section 15626 to the Government Code, relating to the State Board of Equalization.

Existing law requires state agencies to adhere to certain procedural requirements for the adoption, amendment, or repeal of administrative regulations. At least 30 days prior to the adoption, amendment, or repeal of a regulation, notice of the proposed action shall be published in a newspaper and mailed to specified persons.

ASSEMBLY BILLS (Contd.)No. 3485 - (Contd.)

This bill would require the Board of Equalization to provide such notice at least 180 days prior to taking any action on a regulation. In addition to the requirement of mailing the notice to interested persons, publishing the notice, and filing with the Legislature, this bill would require the board to publish notice in the official journals of the State Bar of California and the California Society of Certified Public Accountants.

ASSEMBLY CONSTITUTIONAL AMENDMENTNo. 81 - March 24, 1978

A resolution to propose to the people of the State of California an amendment to the Constitution of the state, by adding Section 9.5 to Article XIII, relating to taxation.

The Constitution, unless otherwise provided, requires all property to be taxable and assessed at the same percentage of fair market value.

This measure would permit the Legislature to provide by law for the creation of special districts in cities for the purpose of improvement and redevelopment and to provide for the exemption, in whole or part, of property within such districts.

SENATE BILLSNo. 1384 - Amended March 30, 1978

An act to amend ~~Section 1603~~ Sections 1603, 18046, 18047, 18052, and 18104 of, and to add and repeal Section 1603.1 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law regarding property taxation states that reductions in assessments shall not be made unless applications are filed before specified dates within counties of specified classes of population.

This bill would provide for uniform dates on which applications are to be filed for all counties, such provision to become operative on July 1, 1979.

The bill would also permit county boards of equalization in any county for which the State Board of Equalization announced a final ratio of 18.2% or less for the 1977-78 fiscal year to extend the period for filing applications respecting the 1977-78 fiscal year, such provision to be repealed on January 1, 1979.

Under existing Personal Income Tax Law, the basis of property of decedents dying after December 31, 1976, in the hands of a person so acquiring such property shall be the adjusted basis of the property immediately before the death of the decedent, as adjusted, for purposes of determining gain from the disposition of such property.

This bill would change such date to December 31, 1980, and would require that the basis property of decedents dying after such date be adjusted in such manner.

The bill would take effect immediately as an urgency statute.

SENATE BILLS (Contd.)No. 1820 - Amended March 30, 1978

An act to add Division 4.5 (commencing with Section 17500) to Title 2 of the Government Code, relating to a state bank.

Existing law does not make provision for a state bank.

This bill would create a state bank as an agency of state government. It would provide for a board of directors of the bank, its powers and duties and its management.

The bill would create 2 advisory committees which would have duties specified in the bill. The bank would have the power to make loans and to accept deposits from public agencies, the University of California and public and private pension funds.

This bill would create the State Bank Loan Fund, and would provide that moneys would be deposited when appropriated by the Legislature for the purposes of this act.

No. 1822 - March 21, 1978

An act to amend Section 5151 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

Under existing Property Tax Law, interest at the rate of 6% per year is paid on property taxes which are refunded to the taxpayer under specified conditions.

This bill would provide that interest at the rate of 6% per year is required to be paid on property taxes refunded as a consequence of an assessor's clerical error.

The bill would appropriate an unspecified amount to the Controller for allocation and disbursement to local agencies for costs incurred by them pursuant to this act.

No. 1823 - March 21, 1978

An act relating to school district taxes, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

(1) Under existing law, revenue limits are computed for school districts from which are derived the maximum tax rates of such districts. Further, school districts with only a prescribed amount of assessed valuation are apportioned state equalization aid as well as state basic aid and other allowances.

This bill would increase the revenue limits of the Healdsburg Union Elementary School District and the Healdsburg Union High School District, for the 1978-79 fiscal year, by an amount sufficient so that the proceeds equal \$45 per unit of a.d.a. in additional property tax revenue.

(2) Existing law grants the homeowners' property tax exemption in the amount of \$7,000 of the full value of qualified dwellings and continuously appropriates state funds for subventions to local government to compensate for property tax revenues lost by reason of such exemption.

This bill would increase the amount of such appropriation by authorizing an increased rate of property tax.

(3) This bill would take effect immediately as an urgency statute.

SENATE BILLS (Contd.)No. 1940 - March 27, 1978

An act to amend Section 423 of the Revenue and Taxation Code, relating to property taxation.

Under existing law, in assessing certain enforceably restricted open-space lands, other than commercial timberland, the assessor is precluded from considering sales data of comparable properties. Instead, in valuing the property by normal assessment procedures, the assessor must use a specified method which capitalizes the income-producing capabilities of the land.

This bill would provide that the parties to an instrument enforceably restricting the land may provide in the instrument that the valuation resulting from the capitalization of income method shall not exceed the valuation that would have resulted by the consideration of sales of otherwise comparable lands.

No. 1941 - March 27, 1978

An act to amend Section 155.1 of the Revenue and Taxation Code, relating to taxation.

Existing law permits the reassessment of property damaged or destroyed by major misfortune or calamity.

This bill would make a nonsubstantive technical change in that provision of law.

No. 2006 - March 29, 1978

An act to amend Sections 202 and 270 of, and to add Sections 202.2 and 271.1 to, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Existing provisions of the California Constitution exempt property used exclusively for public schools from property taxation. Case law has established that the exemption also applies to property used exclusively for the public schools which is not owned by such schools and has applied such exemption to the University of California.

This bill would specify that property used exclusively for community colleges, state colleges and state universities, including the University of California shall be exempted as is specified in the California Constitution.

Under existing law, a lessor is subject to property taxes on property owned and leased by such lesser, but is not required to reduce a lessee's lease payments due to the reduction of property taxes attributable to the exemption of property on the basis it is used exclusively by the lessee.

This bill would require a lessor to reduce lease rental payments on property which receives the benefit of an exemption on the basis such property is used for certain public libraries and museums or used exclusively for public schools, community colleges or state universities, including the University of California.

Existing law provides for the cancellation or refund of a specified portion of the property taxes on property as to which certain exemptions, including the public schools exemption, were available, but for which a timely application was not filed, if such exemption is thereafter claimed according to a specified procedure.

SENATE BILLS (Contd.)No. 2006 - (Contd.)

This bill would specify that such tax cancellation or refund procedure applies to community colleges, state colleges and state universities.

Existing law authorizes the cancellation or refund of any tax, or penalty or interest thereon, imposed on property owned by an organization qualified for certain exemptions, if such property is acquired by such organization after the lien date but before the first day of the fiscal year, and for appropriate cancellation or refund of taxes on property acquired by such organization during the fiscal year.

This bill would provide substantially similar provisions for the cancellation or refund of taxes on property used for certain libraries and museums or property used exclusively for public schools, community colleges, state colleges or state universities.

This bill would appropriate an unspecified amount to the Controller for allocation and disbursement to local agencies for costs incurred by them pursuant to this act.

This bill would take effect immediately as an urgency statute.

No. 2037 - March 30, 1978

An act to amend Sections 218, 2231, 2245, 2250, 2260, 2264, 2265, 2305, 2306, 2307, 2308, 2309, 2325, 2325.1, and 17053.5 of, to add Sections 2261, 2263, and 17053.5 to, to add Article 10 (commencing with Section 2350) to Chapter 3 of Part 4 of Division 1 of, to add Division 3 (commencing with Section 50000) of, to repeal Sections 2261, 2262, 2263, 2263.1, 2263.2, 2266, 2267, and 17053.5 of, the Revenue and Taxation Code, to amend Sections 12400 and 14150 of, to add Section 17000.5 to, and to add Chapter 6 (commencing with Section 13500) to Part 3 of Division 9 of, the Welfare and Institutions Code, relating to support of government, and declaring the urgency thereof, to take effect immediately.

Under existing law, all taxable property on the secured roll is subject to taxation at the same rate, while property on the unsecured roll is subject to taxation at the rate applied to the secured roll for the prior fiscal year, and the first \$7,000 of the full value of an owner-occupied dwelling is exempted from taxation.

This bill would provide for the taxation of owner-occupied dwellings at a different rate than other taxable property, and would increase the homeowners' property tax exemption to the first \$16,000 of the full value of the owner-occupied dwelling.

Existing statutory law provides that the state shall reimburse local agencies and school districts for certain property tax and sales and use tax revenue losses and for costs incurred due to certain programs mandated by the state.

This bill would extend such requirement to other revenue losses.

Existing law limits the maximum property tax rate which may be levied by local agencies.

This bill would revise the method of computing maximum property tax rates so that local agencies shall receive a specified amount of tax revenues.

Existing law authorizes a credit against taxes due under the Personal Income Tax Law for qualified renters. If the amount of the credit exceeds income tax liability, the excess is paid to the claimant.

SENATE BILLS (Contd.)No. 2037 - (Contd.)

This bill would change the amount of the credit or payment to \$80, commencing with taxable years beginning after December 31, 1977, and would increase such amount to \$100, commencing with taxable years beginning after December 31, 1978, if Proposition 8 on the ballot of the statewide election in June 6, 1978, is approved by the voters.

Existing law limits the amount of revenues collected by the State of California, but such provisions would be repealed if Proposition 8 on the June 6, 1978 ballot is not approved by the voters or Proposition 13 on such ballot is approved by the voters.

This bill would set a state revenue limit which is increased annually by the percentage increase in California personal income, as estimated in the Governor's budget.

Under existing law, counties are required to pay a specified share of the costs of the Supplementary Program for the aged, blind and disabled and specified Medi-Cal programs.

This bill would alter counties' shares of such programs according to a formula.

Existing law requires every county to relieve and support all residents who are incompetent, poor, indigent, or incapacitated when such persons lack other means of support.

This bill would limit the above obligation in those counties which operate pursuant to new provisions requiring the counties to administer a general assistance program pursuant to regulations promulgated by the Director of Social Services. The bill would specify eligibility criteria, prescribe the amounts of aid payments, and require such recipients who are capable of employment to register for work with the Employment Development Department and to conduct an active search for work.

This bill would provide state financial contribution to those counties operating in conformity with the general assistance program provided by the bill in accordance with a specified formula.

The bill would also specify that there is no appropriation made by this bill.

This bill would take effect immediately as an urgency statute.

SIGNED BY THE GOVERNOR

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
SB 117	43	March 15, 1978	Immediately

An act to amend Section 2924b of the Civil Code, to amend Sections 16180, 16181, 16182, 16183, 16187, 16190, 16210, 16211, 16212, 16213, and 27282 of, to add Section 16211.5 to, the Government Code, to amend Sections 2505, 2514, 2515, 20501, 20508, 20512, 20542, 20561, 20581, 20583, 20584, 20558, and 20602 of, to add Sections 255.4, 2615.6, 20503, 20505, 20586, 20622, 20641.5, 20644.5, 20645.5, and 20645.6 to, to repeal Sections 255.4, 2615.6, 20503, 20505, 20604, and 20622 of, to amend the headings of Chapter 1 (commencing with Section 20501) of Part 10.5 of, and Part 10.5 (commencing with Section 20501) of Division 2 of, to amend and renumber the heading of



SIGNED BY THE GOVERNOR (Contd.)SB 117 - (Contd.)

Chapter 3 (commencing with Section 20641) of Part 10.5 of Division 2 of, and to add Chapter 3 (commencing with Section 20625) to Part 10.5 of, Division 2 of, the Revenue and Taxation Code, to amend Sections 16, 17, and 20 of, and to repeal Section 19 of, Chapter 1242 of the Statutes of 1977, relating to senior citizens property tax assistance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Under existing law, qualified persons 62 years of age or older who own or rent their homes may claim state funds to reimburse them for a portion of the property taxes paid on their homes, and payment of the property taxes on homes owned by certain persons 62 years of age or older may be postponed.

This bill would require that, for any fiscal year for which such assistance is claimed, the request for postponement of property taxes shall be made by the individual claiming such assistance, and would include part of a multi-dwelling or multipurpose building within the application of such assistance and postponement authorization.

This bill would also provide for the postponement of property taxes by a tenant-stockholder, as defined.

This bill would also increase from \$5,000,000 to \$12,700,000 money made available from continuously appropriated funds for the Controller to pay certificates on postponed property taxes; the bill would also appropriate \$33,849 from the General Fund to the Controller for the administration of the postponement law.

The bill would take effect immediately as an urgency statute.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
SB 321	57	March 21, 1978	January 1, 1979

An act to amend Section 15606 of the Government Code, and to amend Section 1611.5 of the Revenue and Taxation Code, relating to taxation.

Existing law requires the State Board of Equalization to prescribe rules and regulations to govern local boards of equalization when equalizing the assessment and taxation of property.

This bill would specify that the State Board of Equalization shall prescribe uniform procedures for the consideration and adoption of written findings of fact by local boards of equalization.

Existing law permits the county, under specified circumstances, to impose a reasonable fee to prepare findings and conclusion of a hearing, such fee not to exceed \$10 per parcel.

This bill would provide that the applicable fee shall not exceed \$10 per parcel or a total of \$50 for findings on contiguous parcels or assessments on the roll involving the same issues and owners.

<u>Bill Number</u>	<u>Chapter Number</u>	<u>Date Signed</u>	<u>Effective Date</u>
SB 1274	45	March 16, 1978	Immediately

An act to add Section 2287.5 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

Existing law provides a procedure by which the voters of a local agency may establish a maximum property tax rate for such agency by a tax rate limit election.

TO COUNTY ASSESSORS

-18-

April 7, 1978

SIGNED BY THE GOVERNOR (Contd.)

SB 1274 - (Contd.)

This bill would establish a procedure to permit a local agency which is formed without an election to obtain consents from all of the qualified voters of the local agency to approve a maximum tax rate.

The bill would take effect immediately as an urgency statute.

Sincerely,

*Jack F. Eisenlauer*

Jack F. Eisenlauer, Chief  
Assessment Standards Division

JFE:sk  
Enclosures